EMERGENCE AND TRANSFORMATION OF CLUSTERS AND MILIEUS

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The paper discusses the question of spatial organization of production from the perspective of economic development. It argues that, given that development takes on different forms in each historical period, spatial organization of production also changes and these changes are affected by territorial strategies of firms and the economic strategies of cities and regions, and this makes them responsible for the emergence and reconstruction of clusters and milieus.
QUESTIONS AND ANALYTICAL ISSUES

• Confusion and chaos of analytical approaches?
• Is there a knowledge economy?
• Clusters’ decline or clusters’ transformation?
CLUSTER’S ANALYTICAL APPROACHES

- Diversity of experiences and views
- Dynamics of spatial organization of production
- The clusters development factors
# Dynamics of Spatial Organization of Production

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<th>Industrial Revolution</th>
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KNOWLEDGE ECONOMY

- The quest for development and innovation
- Innovation, firms and development
- Obsession for the learning regions
THE QUEST FOR DEVELOPMENT AND INNOVATION

- Fundamentalism of capital
- Endogenous growth
- Knowledge, a multi-use merchandise
The cluster exists because of the advantages that the knowledge generated by the firms that work in an innovative atmosphere, gives. Once the cluster is established, it produces a strong attraction on the newcomers, who in turn strengthen the cluster even more and expand its knowledge base (Maskell, 2001).
Innovation has always been at the core of economic development. Innovation consists in the application of knowledge to the production of goods and services that are commercially relevant. In other words, innovation enfolds the application of new technologies in goods and services that are sold in national and international markets.
INNOVATIVE MILIEU

The local milieu functions as an incubator of innovation. Innovation and technological change emerge within the territory, and are associated with local know-how, the skill of human resources, and the institutions of knowledge that undertake research and development. The creation and diffusion of innovations is a phenomenon based on the relations and interactions of the firms within the milieu.
OBSESSION FOR THE LEARNING REGIONS

• Learning regions are not a new idea
• The question of regional divergence
• The low and high activity dilemma?
CLUSTER’ S TRANSFORMATION

• Dynamics of clusters
• The efficiency principle
• The role of development forces
DYNAMICS OF CLUSTERS

- Local Productive Systems
- Endogenous Industrial Systems
- External Firms Enclaves
- Integrated External Firms

Network Organization

External Chains

Hierarchical Org.

Local chains
THE TERRITORY AS A SYSTEM OF SUPPLY AND DEMAND

- Innovation and human resources
- Entrepreneurial capacity and productive system
- Public administration and policies
- Institutional development
- Urban development of the territory
- Infrastructures for transport and communications
- DEMAND
  - Citizens
  - Firms
  - Organisms